weekly economic review

March 21, 2014

Population

Outpacing all provinces

Alberta's population continued to grow at the fastest rate among the provinces in the fourth quarter of 2013. As of January 1st 2014, Alberta's population was 4,082,571, 3.4% higher than a year ago. This is nearly triple the 1.2% national increase. Alberta welcomed 14,412 net new residents, the third highest fourth quarter gain on record. Net interprovincial migration eased to 5,663 after averaging over 10,000 in the previous six quarters.

Resale Housing

Solid price growth

Strength in Alberta's housing market continued in February, with average resale home prices rising 7.3% year-over-year (y/y) . Nationally, resale prices jumped 10% y/y, led by British Columbia (14.6%). The sales-to-new listings ratio for Alberta was unchanged from January 0.66, in line with its six month average and firmly in sellers' territory, as slightly lower sales were matched by a drop in listings. Canada remains in a balanced market with a sales-to-new listings ratio of 0.52.

Manufacturing Shipments

Trending higher

Alberta's manufacturing shipments in January surged 4.3% above December and rose by 7.0% over the same month last year, the fourth consecutive month of year-over-year growth above 5%. Machinery (15.6%), petroleum & coal products (14.5%) and chemical manufacturing (11.2%), three of the largest components of shipments, all posted exceptional year-over-year growth.

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Job Vacancies

Job openings abound

The number of job vacancies in Alberta dropped slightly to 44,500 per month between October and December from 49,200 the same time last year. Alberta's job vacancy rate, the number of vacant positions as a share of total labour demand, remained at 2.3%, the highest job vacancy rate among the provinces. Alberta's share of job vacancies also continues to be disproportionately high at 22.3% of the Canadian total.

Consumer Price Index (CPI)

Inflation eases, but remains above 2%

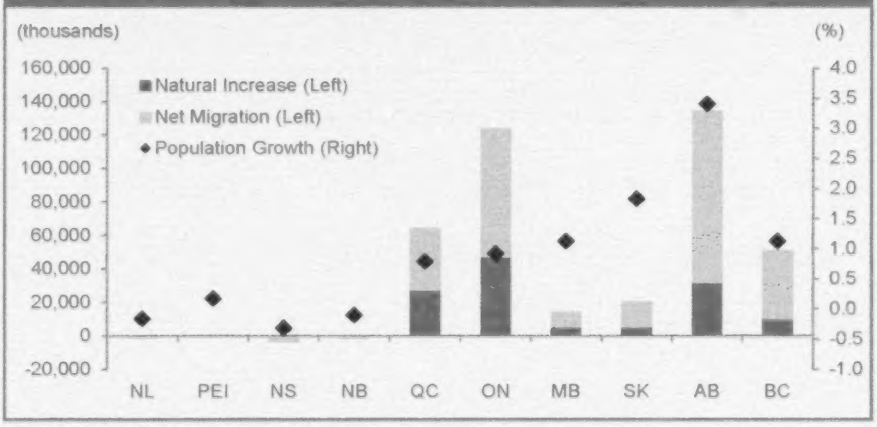
Consumer price inflation in Alberta was 2.4% y/y in February, slightly below January's 2.7%. The easing in price pressures was largely the result of 0.1% y/y dip in gasoline prices in February. Shelter costs continued to add to inflation, mainly due to increasing water, fuel and electricity costs (+9.3% y/y). The national inflation rate edged lower in February to 1.1%.

Retail Sales

Sales spike

In January, retail sales reached $6.4 billion, a 9.8% increase from the same month last year and a 3.5% increase from December. Higher gasoline and auto sales drove the year-over-year jump, though most categories registered solid gains. This was the largest month-over-month increase since October 2007 and largest year-over-year gain since October 2011. Nationally, retail sales hit $40.7 billion, up 3.7% from January 2013 and 1.3% from December.

Population Growth (January 1, 2014, year-over-year change)



Source: Statistics Canada

Closing Price	Mar 12, 2014	Mar 20 2014	2013-14 Fiscal YTD
Canadian Dollar (US¢/$CAN)	89.83	88.88	95.09
WTI Oil ($US/bbl)	97.99	99.43	99.02
NYMEX Natural Gas($US/MMBtu)	4.49	4.37	4.02

Alberta Economic Indicators

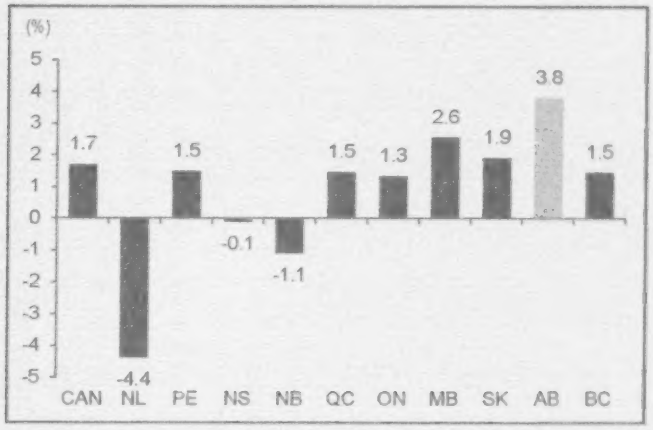
Population[1]	2012	2013	2014YTD	Sept	Oct	Nov	Dec	Jan	Feb
NEW! Population (000's)	3,889	4,025	4,083	..	4,061	..	..	4,083	..
y/y % change	2.6	3.5	3.4	..	3.5	..	..	3.4	..
NEW! Net Interprovincial Migration	27,652	52,677	15,932	..	10,269	..	..	5,663	..
NEW! Net International Migration	40,842	52,551	25,185	..	16,436	..	..	8,749	..
NEW! Net Non-permanent Residents	10,085	19,560	9,274	..	8,213	..	..	1,061	..
Labour Market									
Employment (000's), SA	2,150	2,211	2,253	2,236	2,235	2,246	2,237	2,243	2,262
y/y % change	2.7	2.9	3.5	3.8	3.5	3.5	3.1	3.2	3.8
Unemployment Rate (%), SA	4.6	4.6	4.5	4.4	4.5	4.7	4.8	4.6	4.3
Participation Rate (%), SA	73.4	73.1	73.0	73.1	73.0	73.3	72.9	72.8	73.1
Average Weekly Earnings ($), SA	1,072.75	1,111.68p	..	1,114.41	1,126.96	1,134.55	1,145.63	..	..
y/y % change	3.6	3.6p	..	2.6	3.3	4.0	4.6	..	..
Price Indices									
NEW! Consumer Price Index (y/y % change)	1.1	1.4	2.6	1.3	1.0	1.7	2.1	2.7	2.4
Excluding food and energy	1.4	1.4	2.2	1.5	1.6	1.5	1.9	2.1	2.3
Non-Res. Building Cons. Price Index[2] (y/y % change)	3.8	1.2	..	1.2	..	..	1.3	..	..
Farm Product Price Index (y/y % change)	6.8	4.5	..	2.6	-0.9	-4.4	-5.4	..	..
Crops	8.0	4.3	..	-5.7	-10.1	-12.3	16.1	..	..
Livestock	5.7	4.5	..	10.0	9.0	5.3	5.5	..	..
Household Sector									
Housing Starts (SAAR, 000's)	33.4	36.0	37.5	31.2	38.2	43.8	36.2	39.4	35.7
y/y % change	29.9	7.8	15.4	-8.2	14.2	9.9	18.8	28.3	3.9
New Housing Price Index[3] (y/y % change)	1.3	2.8	3.2	3.1	3.0	3.1	2.9	3.2	..
Edmonton	0.9	0.4	-0.2	0.2	0.3	0.0	-0.2	-0.2	..
Calgary	1.7	5.3	7.0	6.3	6.1	6.5	6.1	7.0	..
NEW! MLS Average Resale Prices ($ 000's)	362.0	380.2	401.8	383.4	381.5	388.6	389.7	399.6	404.0
y/y % change	2.8	5.0	7.6	7.5	3.9	5.3	4.7	7.9	7.3
Edmonton ($ 000's)	332.7	343.8	360.4	347.5	339.2	347.2	356.9	356.5	364.2
y/y % change	2.6	3.3	6.8	8.2	1.4	2.5	5.3	6.7	6.9
Calgary ($ 000's)	410.8	436.6	456.2	439.0	439.8	449.3	449.5	456.4	456.0
y/y % change	2.2	6.3	5.3	8.5	4.2	7.7	4.5	5.9	4.7
Retail Sales, SA (y/y % change)	6.9	6.6	9.8	6.5	6.8	7.2	7.8	9.8	..
New Motor Vehicle Unit Sales (y/y % change)	10.5	6.2	-1.8	2.1	6.5	5.3	7.9	1.8	..
Consumer Bankruptcies	5,759	4,689	..	375	383	323	284	..	..
y/y % change	-18.1	-18.6	..	-10.9	-21.7	-23.1	-17.9	..	..
Business Sector									
Rigs Drilling	250	235	398	251	239	233	259	392	403
y/y % change	12.6	-5.9	0.8	9.6	1.0	9.8	-9.9	6.7	4.4
Goods Exports, customs based (y/y % change)	2.8	7.7	12.5	15.6	18.0	13.9	14.5	12.5	..
Energy	3.6	10.5	15.3	24.2	24.7	18.1	21.6	15.3	..
Farm, Fishing and Intermediate Food	20.6	8.3	-6.3	-27.5	-14.4	-3.6	-18.1	-6.3	..
Farm Cash Receipts (quarterly, y/y % change)	15.8	2.1 YTD	..	-3.4	..	..	..	..	..
NEW! Manufacturing Shipments, SA (y/y % change)	3.4	1.9	7.0	1.0	6.0	7.4	5.3	7.0	..
NEW! Wholesale Trade, SA (y/y % change)	10.8	2.1	3.9	1.2	5.1	1.5	0.9	3.9	..
Building Permits, SA (y/y % change)	14.8	17.7	49.2	32.5	24.7	6.9	10.7	49.2	..
Residential	18.2	19.0	54.2	41.2	39.1	15.6	23.3	54.2	..
Non-residential	10.7	16.1	41.2	18.5	5.5	-29.7	-4.4	41.2	..
Business Bankruptcies	230	137	..	13	15	8	14	..	..
y/y % change	-12.9	-40.4	..	-38.1	-16.7	-46.7	-12.5	..	..

1 Quarterly, annual numbers are presented on a census year basis (July 1– June 30)
2 Quarterly, average of Calgary and Edmonton
3 Average of Calgary and Edmonton
YTD (year-to-date) represents the change since the beginning of the year compared to the same period in the previous year. "SA" denotes seasonally adjusted. "SAAR" denotes seasonally adjusted at annual rate

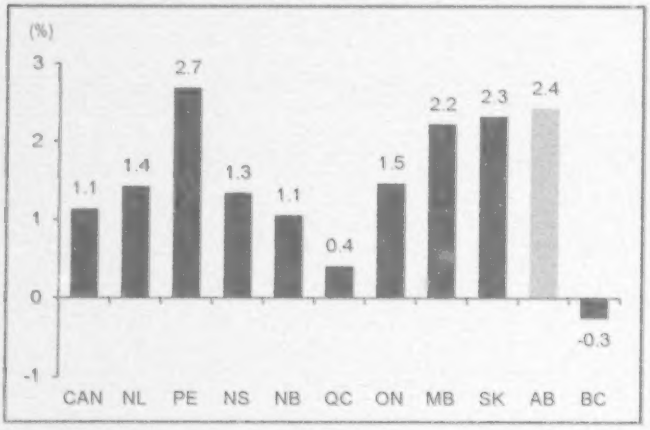
p denotes a preliminary annual number
Sources: All data are from Statistics Canada except Housing Starts (Canada Mortgage and Housing Corporation), MLS Average Resale Prices (Canada Real Estate Association), Rigs Drilling (Canadian Association of Oilwell Drilling Contractors) and Bankruptcies (office of the superintendent of Bankruptcy Canada)
All historical data are subject to revision.

Economic Indicators by Province

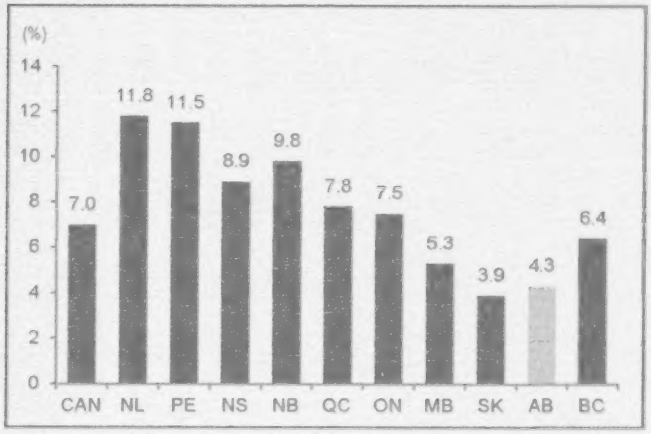
Real GDP at Market Prices
(2012, year-over-year growth)



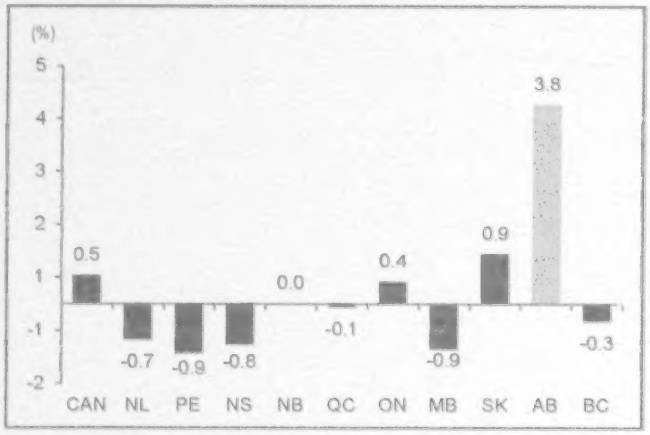
CPI Inflation
(February 2014, year-over-year growth)



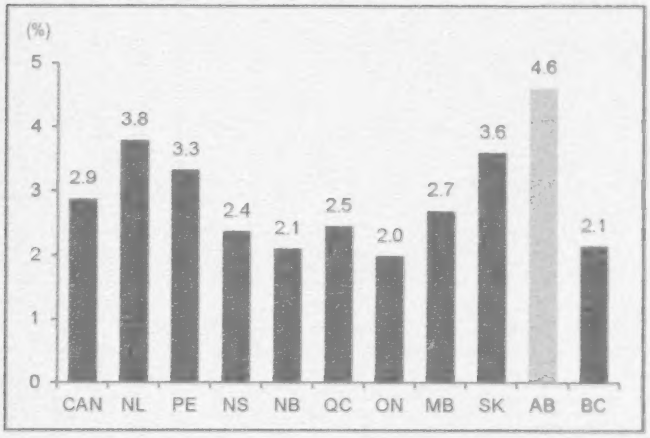
Unemployment Rate
(February 2014)



Employment
(February 2014, year-over-year growth)



Average Weekly Earnings
(December 2013, year-over-year growth)



Housing Starts
(February 2014, SAAR, year-over-year growth)